

## Monument Library Lease Renewal

### Background

PPLD currently leases the facility located at 1706 Lake Woodmoor Dr., Monument, CO 80132 for its Monument Library. The current lease expires December 31, 2017.

Currently, annual rent expense is \$9,177.17 per month (\$110,126.04 annually). Total square footage is 7,536 sq. ft.

### Renewal Proposal

The Landlord (Woodmoor Village, LLC) had proposed a seven-year extension to the current lease. A copy of the lease extension is attached to this memorandum. The extension includes the terms of the proposal. The significant terms are:

1. The non-appropriation clause included in the current lease remains in effect. This clause is needed for compliance with TABOR.

2. The Proposal includes annual monthly rental as follows:

	<u>Monthly</u>	<u>Annual</u>
01/01/2018 – 12/31/2018	\$9,590.08	\$115,081.00
01/01/2019 – 12/31/2019	\$10,021.67	\$120,260.00
01/01/2020 – 12/31/2020	\$10,472.67	\$125,672.00
01/01/2021 – 12/31/2021	\$10,943.92	\$131,327.00
01/01/2022 – 12/31/2022	\$11,436.42	\$137,237.00
01/01/2023 – 12/31/2023	\$11,951.00	\$143,412.00
01/01/2024 – 12/31/2024	\$12,488.83	\$149,866.00

3. The annual percentage increases in the proposed rent schedule is approximately 4.5% per year.
4. The Proposal includes an allowance of \$18,000.00 for tenant improvements.
5. The terms of the Proposal have been discussed with PPLD's Internal Affairs Committee.

### Recommendation

Management recommends the Board of Trustees approve the lease renewal of the Monument Library facility for seven additional years with the terms described above.

### MARKET & ASSESSMENT DETAILS ?

	Market Value	Assessed Value
Land	\$1,203,169	\$266,530
Improvement	\$1,577,094	\$340,390
Total	\$2,780,263	\$606,920

*Market value of entire shopping center. Table added by me.*

## SECOND AMENDMENT TO LEASE

This Second Amendment to Lease ("Second Amendment") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between Woodmoor Village, LLC, ("Landlord"), and Pikes Peak Library District ("Tenant or PPLD").



### WITNESSETH:

WHEREAS, Landlord and Tenant, have heretofore entered into that certain Lease Agreement dated as of August 4, 2001 (the "Lease"), for approximately 7536 rentable square feet of space at 1706 and 1724 Lake Woodmoor Drive, Monument, Colorado, 80132, (the "Premises"); and,



WHEREAS, said First Amendment to Lease expires on December, 31, 2017, (the "Expiration Date"); and,

WHEREAS, Landlord and Tenant desire to amend the Lease, all as hereinafter set forth.

NOW, THEREFORE, Landlord and Tenant do hereby amend the Lease, effective as of the date hereof, as follows:

1. **Lease Premises.** 1706 and 1724 Lake Woodmoor Drive  
Monument, Colorado 80132
2. **Lease Extention.** The term for the Premises shall be extended and expire December 31, 2024, ("Extension Period").
3. **Rent.** The Base Rent payable by Tenant to Landlord during the Extension Period for the Lease Premises (payable in advance, upon the first day of each month) shall be according to the following schedule:

January through December 2018	\$115,081.00
January through December 2019	\$120,260.00
January through December 2020	\$125,672.00
January through December 2021	\$131,327.00
January through December 2022	\$137,237.00
January through December 2023	\$143,412.00
January through December 2024	\$149,866.00

4.  **NNN Charges.** In addition to Base Rent, Tenant shall pay to Landlord its pro-rata share of building expenses as defined by **Section 10 of the Lease**, but in no event shall Tenant be liable for property taxes while the County assessor provides an exemption for the pro-rata portion of improvements and land used by the PPLD. The Tenant shall pay the estimated amount monthly due and payable with the Base Rent. Landlord will reconcile all expenses to the year's collections at the end of each calendar year. Those costs are currently estimated at **\$27,000.00 per year.** 

5. **Unmodified Provisions/Ratification.** Except as otherwise specifically set forth herein, each and every term, condition, and covenant set forth in the Lease Agreement shall remain in full force and effect during the Extension Period and Tenant hereby ratifies and confirms the Lease Agreement, as modified hereby, and each and every term, provision and conditions set forth therein.

6. **Limitation on Tenant's Liability.** Tenant hereby represents and warrants to Landlord:

(i) That Tenant has funds available to pay all Basic Rental, Operating costs, and other charges payable under the Lease (collective, "Rents") through a date which shall be the expiration of twelve (12) months from the date of Lease Extension which is December 31, 2018; and,

(ii) That Tenant shall use its best efforts to request an appropriation for each annual appropriate period thereafter during the term of this Lease sufficient to cover all Rents payable under this Lease as they become due. In the event that Tenant does not receive any such annual appropriation (after the expiration of the date which is twelve(12) months from the date of Lease Extension), despite its best efforts to obtain one, Tenant may, at its election by written notice to Landlord confirmation the failure of appropriation, terminate this Lease effective upon a date designated in such written notice (which shall not be less than sixty (60) days after the date of such notice) or upon the exhaustion of the funding authorized for the then-current appropriation period, which is later, provided; however, that such written notice must be accompanied by payment of all Rents through the end of the then-current appropriation period.

**7. Landlord Incentive:** At any time during the term of this Second Amendment, the Landlord shall reimburse improvement costs or offer like services to Tenant in the amount of \$18,000.00, for items like carpet replacement and painting. Improvement work shall be coordinated, cost proposals, and scope of work mutually approved prior to any notice to proceed with work given to any third party.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the day and year first-above written.

TENANT:

Pikes Peak Library District:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Landlord:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_